

**MINUTES OF THE MEETING OF THE
ROWAN COUNTY BOARD OF COMMISSIONERS
July 2, 2012 – 3:00 PM**

J. NEWTON COHEN, SR. ROOM

J. NEWTON COHEN, SR. ROWAN COUNTY ADMINISTRATION BUILDING
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Present: Chad Mitchell, Chairman
Carl Ford, Vice-Chairman
Jon Barber, Member
Raymond Coltrain, Member
Jim Sides, Member

County Manager Gary Page, Clerk to the Board Carolyn Athey, County Attorney Jay Dees and Finance Director Leslie Heidrick were present.

Chairman Mitchell convened the meeting at 3:00 p.m.

Commissioner Ford provided the Invocation and also led the Pledge of Allegiance.

CONSIDER APPROVAL OF THE MINUTES

Commissioner Barber moved, Commissioner Sides seconded and the vote to approve the minutes of the June 11, 2012, June 18, 2012 and June 25, 2012 Commission Meetings passed unanimously.

CONSIDER ADDITIONS TO THE AGENDA

- Chairman Mitchell moved to add a Closed Session for the purpose of personnel matters and attorney-client privileged communication. The motion was seconded by Commissioner Ford and passed unanimously.

Chairman Mitchell placed the Closed Session on the agenda as item #5c.

- Commissioner Sides requested to place Consent Agenda item A (Delhaize Hangar Lease Renewal) on the regular agenda for discussion.

Chairman Mitchell placed the issue on the agenda as item #5b.

CONSIDER DELETIONS FROM THE AGENDA

There were no deletions from the agenda.

CONSIDER APPROVAL OF THE AGENDA

Commissioner Ford moved, Commissioner Barber seconded and the vote to approve the agenda passed unanimously.

1. CONSIDER APPROVAL OF CONSENT AGENDA

Commissioner Barber moved approval of the Consent Agenda. The motion was seconded by Commissioner Sides and passed unanimously.

The Consent Agenda consisted of the following:

- A. Delhaize Hangar Lease Renewal (placed on the agenda as item #5b for discussion)
- B. Use of Mahaley Building as One-Stop Site for November Election
- C. Deem Sheriff's Vehicle #0613 As Surplus and Donate to Town of East Spencer
- D. Amended Bylaws for Juvenile Crime Prevention Council
- E. Acceptance of Foundation Funds for Smile Center Renovations
- F. Acceptance of Federal Beacon Grant To Complete Electronic Medical Records Program

2. PUBLIC COMMENT PERIOD

Chairman Mitchell opened the Public Comment Period to entertain comments from any citizens wishing to address the Board. The following individuals came forward:

- Larry Wright spoke regarding several candidates in the upcoming election for County Commission.

With no one else wishing to address the Board, Chairman Mitchell closed the Public Comment Period.

RECOGNITION OF RETIRING HEALTH DEPARTMENT DIRECTOR

Chairman Mitchell recognized and expressed appreciation to retiring Health Department Director Leonard Wood. Chairman Mitchell read a plaque, which he presented to Mr. Wood in honor of his dedicated service to the citizens of Rowan County. The presentation was followed by a round of applause.

Mr. Wood thanked the Board for the opportunity to serve and for the board members support over the years.

3. CONSIDER REQUEST FROM ROWAN-SALISBURY SCHOOLS FOR A PERFORMANCE CONTRACT

County Manager Gary Page said Gene Miller, Assistant Superintendent for the Rowan-Salisbury School System (RSSS), had requested the Commissioners

consider approval of a guaranteed energy saving contract between RSS and Energy Systems Group (ESG) of Spencer, NC. Mr. Page referred to the information in the agenda packet, which was a preliminary energy audit showing where an upgrade of energy saving fixtures and equipment would save enough of the monthly utility bills to pay for the improvements. The improvements would cost \$5.1 million and include new windows, insulation, light fixtures, water valves, water closets, and two (2) steam boilers. Mr. Page said since ESG proposes to finance the project for the schools over a 15 year term, the NC Local Government Commission would have to give its approval.

Mr. Page said a contract between RSSS and ESG would ensure that if the energy savings were not realized, the company would have to make up any debt payment shortfall.

Mr. Page said the County had also learned the debt for the project would not count against the County's debt.

Mr. Miller said the information was presented to the Board of Education (BOE) in May. Mr. Miller introduced several staff members from Energy Systems Group including, Steve Zip, David Ames and Grey Medinger.

Mr. Zip provided the Board with a handout as he discussed the LGC application process and the benefits of the project. Mr. Zip also provided a brief overview of a potential project scope as a result of a preliminary energy audit.

Commissioner Sides referred to page 11 of the handout in the agenda packet, which listed the project savings, project costs, total costs and net cash flow. In response to an inquiry from Commissioner Sides, Mr. Zip confirmed that RSS would be borrowing the interest and the costs for the first year.

Commissioner Sides asked if it would be possible for the Board to receive a detailed analysis of how ESG arrived at the figures and Mr. Zip responded yes. Mr. Zip said the figures were a good faith estimate.

Commissioner Sides said he would like to see how the savings were calculated. Commissioner Sides said he favored approval of the program; however, he needed additional information.

Commissioner Sides asked if ESG had done a similar project elsewhere and Mr. Zip said yes. Commissioner Sides asked if ESG had a project that he could use as a benchmark to show what had been projected and what the actual figures were. Mr. Zip said yes and explained how ESG provided reports annually.

Commissioner Sides added that he would like to see a report from a successful project where estimates were provided and what the results were five (5) years later.

In summary, Mr. Zip highlighted the following:

- Utility savings were anticipated to be \$420,000 annually
- 15 year term @ 4.0% interest rate
- \$5,100,000 budget installation cost

In response to an inquiry from Commissioner Coltrain, Mr. Zip said there was a market for the carbon credits and ESG could help through its' financial partners to sell them.

Mr. Zip requested that the Board allow the school district to move forward with the contract for the LGC application.

Commissioner Sides said he was in favor of moving forward with the contract; however, he would like more information. Commissioner Sides moved to put off a decision until the August 6, 2012 meeting to provide the opportunity to receive the requested information. The motion was seconded by Commissioner Ford.

Commissioner Barber said RSS was only requesting to start the process. Commissioner Barber agreed the other information requested by Commissioner Sides was needed and would be received as part of the process.

Chairman Mitchell confirmed with Mr. Miller that RSS was only seeking Board approval today for the concept to pursue the process and that the approval would not "lock in" the project with ESG or any spending amounts. Mr. Miller said a resolution for the project would come before the Commissioners at a later date.

After further discussion, Commissioner Sides withdrew the motion and moved to allow RSS to proceed. The motion was seconded by Commissioner Ford and passed unanimously.

4. CONSIDER APPROVAL OF BOARD APPOINTMENTS

Commissioner Ford commented that when he votes on board appointments he reviews the attendance records and term limits of the applicants.

ABC BOARD

- Linda Lowman has submitted an application for reappointment.

The term would be for three (3) years beginning August 1, 2012 and expiring July 31, 2015.

Commissioner Barber nominated Linda Lowman and the nomination passed unanimously.

ROWAN COUNTY JUVENILE CRIME PREVENTION COUNCIL

- John Spidell submitted an application for reappointment as an At Large member. In order to be considered, the Board would need to waive the term limits set forth in the Resolution adopted September 2009.

The term would be for two (2) years beginning July 1, 2012 and expiring June 30, 2014.

Commissioner Sides moved to readvertise the position, commenting that the Board did not normally have a problem receiving applications for the Juvenile Crime Prevention Council. The motion was seconded by Commissioner Ford and passed unanimously.

ROWAN COUNTY TOURISM AND DEVELOPMENT BOARD

- Gretchen Witt submitted an application for reappointment representing sites and attractions.

The term would be for two (2) years beginning August 1, 2012 and expiring July 31, 2014.

Commissioner Coltrain nominated Gretchen Witt and the nomination carried unanimously.

CENTRALINA WORKFORCE DEVELOPMENT BOARD

- Mike Beaver submitted an application for reappointment. Mr. Beaver resides in Mecklenburg County but owns a business in Rowan County. Mr. Beaver would fill the category of Private Sector.

The term would be two (2) years beginning July 1, 2012 and expiring June 30, 2014.

Commissioner Coltrain nominated Mike Beaver and the nomination carried unanimously.

REGION F ADVISORY COMMITTEE

- Manie Richardson has submitted an application to fill the opening as an alternate delegate.

The terms would be for two years beginning July 1, 2012 and expiring June 30, 2014.

Please note the appointees to this Committee also serve on the HCCBG Committee by virtue of their appointment.

Commissioner Sides nominated Manie Richardson and the nomination passed unanimously.

ROWAN TRANSIT SYSTEM ADVISORY COMMITTEE

- Rodney Harrison has submitted an application for reappointment. Mr. Harrison resides in Cabarrus County and would represent Transportation

Providers as a part of NCDOT's required representation on this Transportation Advisory Board (TAB).

- Renita Ritchie has submitted an application for reappointment.

The terms would be for three (3) years beginning July 1, 2012 and expiring June 30, 2015.

Commissioner Barber nominated Rodney Harrison and Renita Ritchie and the nominations passed unanimously.

ROWAN CABARRUS COMMUNITY COLLEGE

- R. Daryl Cox has submitted an application for consideration.
- Patricia Fulcher has submitted an application for reappointment. In order to be considered, the Board of Commissioners would need to waive the term limits set forth in the Resolution adopted in September 2009.

The term would be for four (4) years beginning July 1, 2012 and expiring June 30, 2016.

Commissioner Sides nominated Daryl Cox.

Commissioner Barber nominated Patricia Fulcher.

In response to an inquiry from Commissioner Coltrain, Commissioner Barber said he considered the applicant's participation and attendance for the board meetings. Commissioner Barber said he felt the background skills of Ms. Fulcher were needed for the appointment.

The nomination for Daryl Cox passed 3-2 with Commissioners Coltrain and Barber dissenting.

ROWAN COUNTY NURSING HOME ADVISORY COMMITTEE

- Barbara Mallett has submitted an application for reappointment.

The term would be for three (3) years beginning July 1, 2012 and expiring June 30, 2015.

Commissioner Sides nominated Barbara Mallett and the nomination carried unanimously.

ROWAN COUNTY ADULT CARE HOME ADVISORY COMMITTEE

- Flora White has submitted an application for reappointment.

The term would be for three (3) years beginning July 1, 2012 and expiring June 30, 2015.

- Rhonda Fesperman Potts has submitted an application for consideration.

The term would be for one (1) year beginning August 1, 2012 and expiring July 31, 2013.

Commissioner Sides nominated Flora White for reappointment and Rhonda Fesperman Potts for appointment. The nomination passed unanimously.

PBH

Willie Beilfuss and John P. Burke's terms expire June 30, 2012. The Clerk has spoken with Bill Burgin, PBH Board Chair, and the target date for the five (5) county consolidation is August 1, 2012. At that time, there will be a request for staggered appointments for three (3) representatives from Rowan County to serve on the new consolidated Board.

CITY OF SALISBURY ETJ

- Robert Cockerl has submitted an application for consideration as an alternate for the Zoning Board of Adjustment.

The term would be for two (2) years expiring March 31, 2014.

Commissioner Sides nominated Robert Cockerl and the nomination passed unanimously.

5. CONSIDER OPTIONS FOR PURCHASE OF FAIRGROUNDS PROPERTY

Chairman Mitchell referred to a memorandum in the agenda packets regarding options for the purchase of the fairgrounds property. Chairman Mitchell said John Love with the Rowan County Fair Association (RCFA) was also present to answer any questions the Board might have.

Chairman Mitchell said the first offer was for the purchase of 25 acres at \$15,000/acre for a total price of \$375,000.

Chairman Mitchell said the second option available was for the County to sell 25 acres at \$20,000 per acre, or \$500,000 to the RCFA. Chairman Mitchell said a local bank had indicated they would loan the RCFA \$350,000 towards the purchase price with the County financing the \$150,000 balance with a second mortgage. The Fair Association would not be required to pay the County any principle for five years. The RCFA would be required to pay interest each year at the prevailing prime rate.

Chairman Mitchell said if the Board agreed to an option, the County Attorney could begin working with the RCFA attorney to draft a contract for the Board's consideration.

Mr. Love said the second option would be based on 30 acres instead of 25 acres. Mr. Love said the appraisal for 25 acres was not \$500,000.

Commissioner Sides said he understood the bank would loan 80% and the RCFA would not need \$500,000. Mr. Love said the bank wanted a 25% down payment, or \$125,000. Mr. Love said it would take every penny the RCFA had to make the 25% down payment.

Commissioner Barber moved to offer option 2 to the RCFA to sell 30 acres at \$500,000, \$150,000 to be financed as a second mortgage by Rowan County Government, the parking area currently used to be negotiated into the contract for a 10 year period, timber rights be given to Rowan County Government during that period, RCFA has the first option on any additional property purchases behind what is being proposed. Commissioner Barber added as part of the motion that the RCFA pay interest at 2% per year.

The motion was seconded by Commissioner Coltrain.

Commissioner Sides said he was in favor of selling 25 acres for \$500,000 and that he would go along with letting the RCFA take the first mortgage for \$300,000, the County takes the second mortgage at \$200,000, the County keeps the timber rights, and no guaranteed first option to the RCFA for the remaining property. Commissioner Sides felt the County should take 1/3 of the parking fees during the fair week only and no other time. Commissioner Sides said he would agree to extend the terms for seven (7) years if necessary. Commissioner Sides said the interest rate would be at the prime rate. Commissioner Sides said the Board had not discussed the ¼ acre across the street and that he had no problem with the RCFA holding the ¼ acre for collateral during the term of the first mortgage. Commissioner Sides said at the conclusion of the first mortgage, the ¼ acre should revert to the County at no cost.

Mr. Love explained that parking fees collected during the week of the fair were paid to the non-profits that park the cars on their organization's respective night.

Commissioner Sides responded that he would agree to remove the stipulation for the County to receive 1/3 of the parking fees if the fees were going to other nonprofits.

Chairman Mitchell asked if the Board was willing to approve an agreement in principle and authorize the County Attorney to work with the RCFA attorney to draft a finalized agreement for the Board's consideration.

Chairman Mitchell pointed out that until the RCFA could discuss the terms, a final agreement could not be approved.

Commissioners Coltrain and Barber were in support of suggestion as long as the matter was brought back to the Board in thirty (30) days, or on August 6, 2012.

Chairman Mitchell moved to table the motion until August 6, 2012 and to give the County Attorney instructions to work with the RCFA attorney and to bring the final options to the Board for a vote. The motion was seconded by Commissioner Coltrain and passed unanimously.

5a. DELHAIZE HANGAR LEASE

(This item was pulled from the Consent Agenda)

Commissioner Sides referred to page 9, item #2 pertaining to insurance and moved to approve the lease agreement with the deletion of the paragraph below #2 and item D under #2. Chairman Mitchell seconded and the motion passed unanimously.

5a. CLOSED SESSION

Commissioner Ford moved at 4:01 p.m. that the Board enter Closed Session pursuant to North Carolina General Statute § 143-318.11(a)(6) for personnel matter(s) and North Carolina General Statute § 143-318.11(a)(3) for attorney-client privileged communication. The motion was seconded by Commissioner Sides and passed unanimously.

The Board returned to Open Session at 4:23 p.m. No action was taken.

6. ADJOURNMENT

There being no further business to come before the Board, Commissioner Barber moved to adjourn at 4:23 pm. The motion was seconded by Commissioner Ford and passed unanimously.

Respectfully Submitted,

Carolyn Athey, CMC, NCCCC
Clerk to the Board/
Assistant to the County Manager